IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION
WRIT PETITION NO.7256 OF 2002

Sangli Sahakari Bank Ltd. ..Petitioner.
Vs.
The Divisional Joint Registrar
C.S.Mumbai & Ors. ..Respondents.

Mr.M.N.Bhadrashete, adv. for the Petitioner.
Mr.R.M.Patne, A.G.P. for the Respondent Nos.1 and 2.

CORAM : J.H.BHATIA, J.
DATE : SEPTEMBER 19, 2007.

P.C.:

1. Heard the learned counsel for the Parties.

2. The petitioner is a co-operative bank. Respondent No.3 had purchased a new 118-NE Premier car for Rs.3,60,000/-. On 18-4-1996 for this purpose, he had taken a loan of Rs.2,65,000/- from the petitioner bank. He paid some monthly instalments regularly. Thereafter, due to some financial difficulties, he could not make payment of instalments. On 8-10-1997, the petitioner bank forcibly took possession of the vehicle and in March, 1998 vehicle was allegedly sold away for an amount of Rs.1,01,157/-. According to the respondent no.3, at the relevant time, valuation of the car was between the range of Rs.2,40,000/- to Rs.2,70,000/-. After sale of the car, the petitioner bank made further demand of Rs.1,88,758/- from the

respondent no.1 and guarantors. The petitioner bank sought recovery certificate under Section 101 of the Maharashtra Co-operative Societies Act. Application was rejected. Revision Application No.389 of 2000 also came to be rejected by the Divisional Joint Registrar after giving valid reasons.

3. From the reasons given by the authorities below, it appears that bank authorities had very recklessly and carelessly disposed off two years old car value of which was between Rs.2,40,000/- to Rs.2,70,000/-, for a meagre amount of Rs.1,01,157/- only. The Courts below noted that this was in violation of natural justice and was an act of high handedness on the part of the bank. The learned counsel for the petitioner contends that the car was sold by tenders. However, in my opinion, if price quoted in the tenders was so low, the bank officers should have acted prudently and rejected the tenders. Fresh tenders could be called or the car could be sold by public auction whereby it could fetch better price. I find no fault with the reasons given by the authorities below for rejecting the prayer for recovery certificate.

4. Writ Petition stands dismissed summarily.

[J.H.BHATIA, J.]